

DEPARTMENTAL BUDGET INFORMATION

DEPARTMENT OF TRANSPORTATION (20)

STATEMENT OF PURPOSE

The Department of Transportation will help support the Mayor's vision to transform the government of the City of Detroit to the Next Detroit by applying the guiding principles of the Next Detroit, which means structural balancing by bringing costs in line with revenue, while improving services.

The Detroit Department of Transportation strives for excellence in providing public transit services that are reliable, customer focused, fiscally responsible, safe and secure for all users.

DESCRIPTION

The Department of Transportation operates the bus system in the City of Detroit with a fleet of 534 coaches.

DDOT is the largest transit provider in the State of Michigan, operating over 1,300 miles of routes, and vehicles traveling 17.8 million miles annually.

The Department operates three light repair garages and terminals as well as a facility dedicated for major overhauls.

MAJOR INITIATIVES FOR FY 2005-06 and FY 2006-07

DDOT will have less funding to work with in FY 2006-2007 due to large increases in health care and fuel costs, but will maintain the current level of service. DDOT has initiated process improvements that will allow cost savings and enhance revenues to improve the transportation services provided to the public.

Revenue initiatives include the following:

- Training and improved cash controls.
- Installation of new fareboxes, which will be more reliable.

- Development of new fare media to increase farebox revenue.
- Renewal of disabled fare.
- Reduction of fare evasion and confusion created by fraudulent disabled rider identification.
- Online pass and ticket sales.
- Continue to collaborate with Employment & Training Department on "Job Access and Reverse Commute" (JARC) services and administer federal transit administration grants.
- Commemorative Passes created for Rosa Parks, Superbowl, and others.

Cost saving initiatives includes:

- Reengineering the work order, requisitioning, purchasing, inventorying, receiving, and accounting processes to improve the effectiveness of acquiring and maintaining parts, materials, and services for DDOT maintenance.
- Enhance inventory management, to reduce waste, obsolescence and theft.
- Utilize new AVL reporting system for service improvement.
- Enhance the DDOT's B Inspection Process to allow for the consistent scheduling of vehicles within a 5,500 to 6,500 Mileage Window.
- Develop & Implement standards for ensuring the B Inspection's Running Repairs are consistently scheduled and repaired in a timely manner.
- Evaluate route productivity to allocate resources where customer demand dictates.
- Evaluating pre-employment screening program to upgrade entry level requirements and improve employee retention.
- Monitor contractually scheduled off times, in order to minimize manpower shortages.

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In 2006-2007 DDOT will promote equal access by the elderly or disabled customer to transit service opportunities. Initiatives include:

- Compliance with DOJ settlement agreement.
- Ensure all buses have operable wheelchair lifts.
- Provide an alternative to print communications service for people with visual impairments.
- Monitor and improve efficiency on (ADA) Complementary Paratransit Service.
- Revise DDOT's Vehicle Write-up Process to ensure that wheelchair lifts are repaired within 3-days of being identified as "Non-operable", as dictated by the Federal Transit Administration's (FTA) Guidelines

DDOT will finish construction of the Rosa Parks Transit Center by the end of 2006-2007. Also, the Plant Maintenance and Construction Activity will focus on modernizing DDOT's Shoemaker terminal.

Ridership has increased over the past year. The higher cost of fuel is a major factor, but

we believe that improvement in on-time performance, customer information and other initiatives have contributed to the increase.

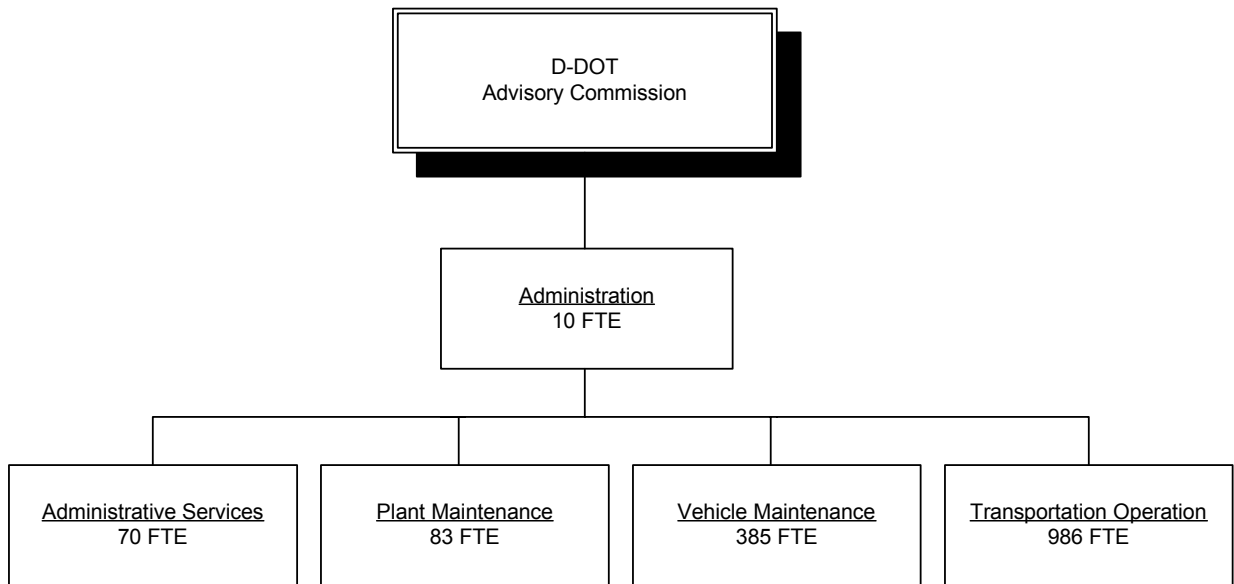
PLANNING FOR THE FUTURE FOR FY 2006-07, FY 2007-08 and BEYOND

As the Detroit Department of Transportation moves forward, our focus will include increasing the efficiency of our service across the board. Our mission is to strive to accomplish a reliable transportation service that is customer focused, fiscally responsible, safe and secure for all users. To accomplish our mission, DDOT is committed to continuously reevaluating, redesigning and implementing process improvements.

The City intends to pursue a regional transportation system that will maximize the transportation service to the region and be more cost efficient.

DDOT will continue to strive to cut costs and enhance revenues to reduce the burden on the City's General Fund.

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PERFORMANCE GOALS, MEASURES AND TARGETS

Type of Performance Measure: List of Measures	2004-05 Actual	2005-06 Projection	2006-07 Target
Inputs: Resources Allocated or Service Demands Made			
Ratio of actual to budgeted full time employees	100%	100%	100%
Firms certified as DBE (Disadvantaged Business Enterprises)	125	130	130
Efficiency: Program Costs related to Units of Activity			
Cost effectiveness rating (operating expense/passenger trip)	\$4.72	\$4.75	\$4.37
City funding as percent of total budgeted revenue	42%	49%	48%

*National Average = \$0.52

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EXPENDITURES

	2004-05		2005-06		2006-07			
	Actual		Redbook		Mayor's		Variance	Variance
	Expense				Budget Rec			Percent
Salary & Wages	\$ 68,751,673	\$	54,877,844	\$	57,878,857	\$	3,001,013	5%
Employee Benefits	43,641,609		41,178,661		44,845,076		3,666,415	9%
Prof/Contractual	17,826,111		10,877,469		7,595,000		(3,282,469)	-30%
Operating Supplies	18,123,472		17,460,307		13,849,656		(3,610,651)	-21%
Operating Services	30,164,232		25,167,781		25,933,434		765,653	3%
Capital Equipment	3,010,142		5,000		3,000		(2,000)	-40%
Capital Outlays	3,967,155		10,000,000		-		(10,000,000)	-100%
Fixed Charges	589,886		4,017,124		4,139,316		122,192	3%
Other Expenses	7,959,516		6,578,697		6,524,720		(53,977)	-1%
TOTAL	\$ 194,033,796	\$	170,162,883	\$	160,769,059	\$	(9,393,824)	-6%
POSITIONS	1,570		1,534		1,534		-	0%

REVENUES

	2004-05		2005-06		2006-07			
	Actual		Redbook		Mayor's		Variance	Variance
	Revenue				Budget Rec			Percent
Rev from Use of Assets	\$ 1,186,118	\$	858,000	\$	1,348,000	\$	490,000	57%
Grants/Shared Taxes	26,327,549		-		-		-	0%
Sales & Charges	77,044,469		70,497,303		78,280,216		7,782,913	11%
Contrib/Transfers	85,327,782		88,782,580		81,115,843		(7,666,737)	-9%
Miscellaneous	46,934		10,025,000		25,000		(10,000,000)	-100%
TOTAL	\$ 189,932,852	\$	170,162,883	\$	160,769,059	\$	(9,393,824)	-6%